

DEPARTMENT OF BENEFIT PAYMENTS
744 P Street, Sacramento, CA 95814

March 8, 1977

ALL-COUNTY LETTER NO. 77-13

• TO: ALL-COUNTY WELFARE DIRECTORS
FISCAL SUPERVISORS
ADMINISTRATIVE SERVICE OFFICERS
COUNTY AUDITORS

SUBJECT: MODEL DIRECT CHARGE COST PLAN


REFERENCE:

This is to inform you that the Social and Rehabilitation Service (SRS) has had the opportunity to review the model Direct Charge Cost Plan that the counties are completing during the March Quarter. As you know, the Direct Charge Cost Plan, as described in All-County Letter No. 76-142, is being completed by the counties for comparative analysis with the current cost allocation plan.

Although SRS did not indicate that there were any deficiencies in the Direct Charge Cost Plan, we are concerned that SRS may attempt to adjust, retroactively, the State grant awards based on the results of the March Quarter Test. DBP would, of course, strongly argue against any attempt to adjust grant awards, based on what is only a comparative test of two cost reporting systems. To resolve the uncertainty around the issue as soon as possible, DBP is negotiating with SRS at the executive level to persuade them to grant full, unconditional approval of our existing cost plan through June 30, 1977.

We will let you know of our progress as soon as SRS issues their final decision. Should you have any questions, please call Ron Lee or Jim Collins at 916/445-7046.

Sincerely,


GARY G. ADAMS
Deputy Director

cc: CWDA